

## Message Text

LIMITED OFFICIAL USE

PAGE 01 TOKYO 12540 171007Z  
ACTION EB-08

INFO OCT-01 ARA-10 EUR-12 EA-07 ISO-00 AID-05 CIAE-00  
COME-00 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00  
XMB-02 OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 L-03  
IO-13 H-01 /089 W  
-----064215 171203Z /50

R 170938Z AUG 77  
FM AMEMBASSY TOKYO  
TO SECSTATE WASHDC 268  
INFO AMEMBASSY BERN  
AMEMBASSY BONN  
AMEMBASSY BRUSSELS  
AMEMBASSY CARACAS  
AMEMBASSY DUBLIN  
AMEMBASSY THE HAGUE  
AMEMBASSY LONDON  
AMEMBASSY OSLO  
AMEMBASSY OTTAWA  
AMEMBASSY PARIS  
AMEMBASSY ROME  
AMEMBASSY STOCKHOLM  
AMEMBASSY VIENNA  
AMEMBASSY LISBON  
AMEMBASSY COPENHAGEN

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USOECD ALSO FOR EMBASSY

USEEC ALSO FOR EMBASSY

E.O. 11652: N/A  
TAGS: EFIN, PO  
SUBJECT: FINANCIAL ASSISTANCE FOR PORTUGAL

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REF: STATE 163429  
STATE 179032

1. SUMMARY: GOVT OF JAPAN DOES NOT EXPECT TO FINALIZE ITS PLANS FOR ASSISTANCE TO PORTUGAL IMMEDIATELY. END SUMMARY.
2. EMBOFFS HAVE CALLED ON MOF OFFICIALS TO CONVEY MESSAGES PER

REFTELS. MOF OFFICIALS WERE OF COURSE PLEASED BY EXPRESSION OF APPRECIATION FOR THEIR PROPOSED CONTRIBUTION TO SPECIAL LENDING ARRANGEMENT FOR PORTUGAL, BUT THEY GAVE NO GROUNDS FOR HOPE THAT THEY WOULD BE ABLE TO DISBURSE IN THE CURRENT QUARTER. NOR WERE THEY ABLE IMMEDIATELY TO GIVE DETAILED ANSWERS TO OUR QUESTIONS ABOUT DETAILS OF THEIR PROPOSED LENDING.

3. FOLLOWING RECAPS MOF PRELIMINARY RESPONSES:

(A) AMOUNT OF INTENDED LOAN - \$75 MILLION.

(B) FINANCIAL MECHANISM - OF THE LOAN, \$50 MILLION WILL BE FROM AUTHORIZED FOREIGN EXCHANGE BANKS UNDER GUARANTEE BY EXPORT-IMPORT BANK OF JAPAN; REMAINING \$25 MILLION WILL BE FROM EXPORT-IMPORT BANK OF JAPAN.

(C) TERMS OF LOAN - TERMS OF LOAN REMAIN TO BE FIXED. RATE WILL BE MARKET RELATED. MATURITY WILL BE MEDIUM-TERM.

(D) PROCUREMENT PROVISIONS - \$50 MILLION WILL BE UNTIED; AND \$25 MILLION WILL BE TIED TO PROCUREMENT IN JAPAN.

(E) EXPECTED DATE FOR SIGNING BILATERAL LOAN AGREEMENT - UNABLE AT THIS JUNCTURE TO INDICATE PRECISE TIMING.

(F) DISBURSEMENT SCHEDULE - TO BE WORKED OUT IN DISCUSSIONS WITH LIMITED OFFICIAL USE

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GOVERNMENT OF PORTUGAL AND IN LIGHT OF PLANS OF OTHER LENDERS.

(G) RELATIONSHIP BETWEEN DISBURSEMENTS AND ECONOMIC PERFORMANCE - TO BE WORKED OUT IN LIGHT OF GOVERNMENT OF PORTUGAL DISCUSSIONS WITH THE IMF AND OTHER LENDERS.

4. COMMENT: AS PRACTICAL MATTER, EMBASSY EXPECTS GOJ WILL FINALIZE ITS PLANS ONLY AFTER CONGRESS HAS APPROVED U.S. CONTRIBUTION AND, PROBABLY, AFTER SEEING HOW U.S. WORKS OUT ITS BILATERAL AGREEMENT WITH PORTUGAL. BEST WAY TO GET JAPAN TO MOVE AS PROMPTLY AS POSSIBLE ON THEIR ASSISTANCE TO PORTUGAL IS TO KEEP THEM FULLY INFORMED OF OUR PROGRESS AND THE PROGRESS OF OTHERS.  
MANSFIELD

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NNN



## Message Attributes

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**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC ASSISTANCE, NEGOTIATIONS, LOANS  
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**Disposition Approved on Date:**  
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**Disposition Date:** 22 May 2009  
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**Drafter:** n/a  
**Enclosure:** n/a  
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**Errors:** N/A  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Review Release Event:** n/a  
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**TAGS:** EFIN, PO, JA  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
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